

Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 SAB-02 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 USIE-00 INRE-00 SIG-03 PM-05 H-01
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DRAFTED BY ARA/PAN:JCHAAHR/JLP
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FM SECSTATE WASHDC
TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE

C O N F I D E N T I A L STATE 069647

E.O. 11652: GDS

TAGS: PEPR, PN

SUBJECT: COMMENT AND GUIDANCE ON SENATE ACTION ON PANAMA
CANAL NEUTRALITY TREATY

1. YOU SHOULD DRAW ON THE FOLLOWING FOR DISCUSSIONS WITH
HOST GOVERNMENTS ON SENATE ACTION ON THE PANAMA CANAL
NEUTRALITY TREATY. PURPOSE OF DISCUSSIONS IS TO PROVIDE
OUR VIEWS ON IMPORTANCE AND MEANING OF SENATE RATIFICATION
ACTION, INCLUDING KEY RESERVATIONS (NUNN AND DECONCINI
RESERVATIONS SENT TO YOU SEPTEL).

2. YOU SHOULD, OF COURSE, DRAW ON PRESIDENT'S AND SECRE-
TARY'S STATEMENTS ISSUED MARCH 16 AND SENT TO YOU SEPTEL
AS GENERAL INTRODUCTION FOR DISCUSSION. THE THEME WE WISH
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TO STRESS IS THAT WE HAVE MOVED TOWARD THE RESOLUTION OF
AN ISSUE WHICH HAS BEEN IN THE FOREFRONT OF OUR RELATIONS
WITH THE HEMISPHERE FOR MANY YEARS. SENATE ACTION ON
NEUTRALITY TREATY IS A PROMISING STEP TOWARD A NEW ERA IN
OUR RELATIONSHIP WITH PANAMA AND WITH ALL OF LATIN AMERICA
AND THE HEMISPHERE.

3. YOU SHOULD SAY THAT WE KNOW THAT PANAMA WILL BE STUDYING THE RESULTS OF THE SENATE ACTION IN TERMS OF ITS OWN PERCEPTION OF THE FUNDAMENTALS OF THE PANAMA CANAL

TREATY. NEVERTHELESS, WE ARE ENCOURAGED BY PANAMA'S INITIAL REACTION AS ENUNCIATED ON MARCH 16 BY A PANAMANIAN SPOKESMAN ON BEHALF OF GENERAL TORRIJOS AND THE PANAMANIAN GOVERNMENT. THAT REACTION IS SUMMED UP IN THE SPOKESMAN'S WORDS THAT "WE MUST HONESTLY STATE THAT DESPITE THE LANGUAGE THAT HAS BEEN USED, THEY (THE SENATE ACTIONS) DO NOT ALTER THE ESSENCE OF THE NEUTRALITY TREATY -- SO IN PRINCIPLE WE CAN TELL THE PEOPLE THAT THE MAIN OBJECTIVES OF PANAMA REGARDING THE TORRIJOS-CARTER TREATIES HAVE NOT BEEN ALTERED BY THE SENATE."

4. FYI. WE ARE AWARE THAT IT WILL NOT BE EASY FOR THE PANAMANIAN TO SWALLOW THE DECONCINI RESERVATION. TO THE PANAMANIAN, IT EXPLICITLY STATES THE POSSIBILITY OF UNILATERAL MILITARY ACTION "IN PANAMA" IN THE EVENT OF CANAL CLOSURE OR INTERFERENCE WITH TRAFFIC. THE NUNN RESERVATION ALSO GETS INTO POLITICALLY SENSITIVE GROUND.

5. EMBASSY PANAMA REPORTS THAT GOP OFFICIAL COMMUNIQUE OF MARCH 17 IS MARKED BY "TIGHT-LIPPED AUSTERITY" AND CONTRASTS SLIGHTLY WITH "FORCED OPTIMISM" OF STATEMENTS REFERRED TO ABOVE. THERE IS LITTLE IN IT OF THE TENTATIVE

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APPROVAL WHICH MARKED SPOKESMAN'S SPEECH. THE WATCHWORD IS "WAIT AND SEE" BUTTRESSED BY THE ASSURANCE THAT THE TWO TREATIES, ONCE APPROVED BY THE SENATE, WILL BE SUBMITTED TO "SEVERE SCRUTINY" BY THE PANAMANIAN GOVERNMENT. END FYI.

6. WITH RESPECT TO THE TWO LEADERSHIP AMENDMENTS TO THE TREATY, IT SHOULD BE STRESSED THAT THEY WERE AGREED TO BY PRESIDENT CARTER AND GENERAL TORRIJOS IN THE OCTOBER 14 STATEMENT OF UNDERSTANDING. THE AMENDMENTS ARE THEREFORE MERELY A CLARIFICATION OF ARTICLES IV AND VI OF THE NEUTRALITY TREATY. ARTICLE IV GIVES THE US AND PANAMA THE RIGHT TO ACT AGAINST ANY THREAT TO THE REGIME OF NEUTRALITY ESTABLISHED IN THE TREATY, BUT THE LANGUAGE DOES NOT MEAN THAT WE HAVE OR WANT A RIGHT OF INTERVENTION IN THE INTERNAL AFFAIRS OF PANAMA. THESE POINTS ARE EXPLICITLY MADE IN THE SENATE AMENDMENT OF ARTICLE IV OF THE NEUTRALITY TREATY.

7. THE NUNN RESERVATION DOES NOT COMMIT EITHER GOVERNMENT TO TAKE OR ACCEPT ANY ACTION AGAINST ITS WILL, NOR DOES IT ALTER THE TERMS OF THE NEUTRALITY TREATY.

8. THE DECONCINI RESERVATION IS A "CONDITION" WHICH IS DESIGNED TO ENSURE THAT THE CANAL REMAINS OPEN. IT IS FULLY CONSISTENT WITH THE SPIRIT AND PURPOSES OF THE NEUTRALITY TREATY. UNDER ARTICLE IV OF THAT TREATY, AS AMENDED BY THE SENATE, EACH PARTY HAS THE RESPONSIBILITY TO ASSURE THAT THE CANAL WILL REMAIN SECURE AND ACCESSIBLE TO THE SHIPS OF ALL NATIONS, AND BOTH PANAMA AND THE U.S. ARE PLEDGED, IN ACCORDANCE WITH THEIR CONSTITUTIONAL PROCESSES, TO DEFEND THE CANAL AGAINST ANY AGGRESSION OR THREAT DIRECTED AGAINST THE CANAL.

9. THIS OPEN CANAL CONDITION REAFFIRMS THAT EACH PARTY SHALL HAVE THE RIGHT TO TAKE THE NECESSARY STEPS FOR
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THIS PURPOSE. AS PANAMANIAN NEGOTIATOR ROMULO ESCOBAR BETHANCOURT INDICATED MARCH 16, THE "CONDITION" RECOGNIZES THAT EACH PARTY HAS THE RIGHT OF INDEPENDENT ACTION TO KEEP THE CANAL OPEN AND THAT THE USE OF MILITARY FORCE WOULD IN APPROPRIATE CIRCUMSTANCES PROVIDE ONE OPTION FOR SAFEGUARDING THE CANAL. WE BELIEVE, THEREFORE, THAT THE SENATE'S ACTION HAS STRENGTHENED THE PURPOSES AND PRINCIPLES OF THE NEUTRALITY TREATY.

10. PLEASE REPORT ANY SIGNIFICANT REACTIONS BY IMMEDIATE CABLE. IF ANY COMMENT IS MADE OR QUESTION RAISED CONCERNING THE PROTOCOL MENTIONED IN ARTICLE VII OF THE NEUTRALITY TREATY, YOU SHOULD REFER IT TO THE DEPARTMENT.

11. FOR PANAMA. EMBASSY SHOULD NOT TAKE ACTION ON INSTRUCTIONS CONTAINED HEREIN. VANCE

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